

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) For Authority to, Among Other Things, Increase Its Authorized Revenues For Electric Service in 2003, And to Reflect That Increase in Rates.

Application 02-05-004
(Filed May 3, 2002)

Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Service and Facilities of Southern California Edison Company.

Investigation 02-06-002
(Filed June 6, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING REGARDING PENDING
MOTIONS AND SUBMITTING PHASE 1**

Nuclear Plant Security Costs

On May 21, 2003 Southern California Edison Company (SCE) filed a motion for approval of a balancing account to record the costs of complying with a recent Nuclear Regulatory Commission (NRC) order regarding the Design Basis Threat (DBT) and related NRC orders. Aglet Consumer Alliance, Office of Ratepayer Advocates (ORA), and The Utility Reform Network (TURN) (collectively, Joint Parties) filed a response in opposition to the proposed balancing account.

On July 15, 2003, SCE filed a motion to establish Phase 3 of this general rate case (GRC) to consider the proposed balancing account and any related

proposal by San Diego Gas & Electric Company (SDG&E). Joint Parties filed a response in opposition, and SCE filed a reply.

On July 30, 2003, SDG&E filed a motion to establish to establish balancing account treatment for certain nuclear plant security costs. ORA and TURN filed a response in opposition, and SDG&E filed a reply.

On September 29, 2003, following several discussions with Joint Parties, and pursuant to agreement with them, SCE withdrew its motion to establish Phase 3 of this GRC. The agreement provides, among other things, that SCE will not make a subsequent request, in this or any other proceeding, to increase SCE's 2004 and/or 2005 authorized revenue requirement to recover costs associated with the NRC DBT activities and related orders. SCE's May 21, 2003 motion for a balancing account to record the costs of complying with the NRC orders is therefore deemed withdrawn.

It is neither reasonable nor appropriate to keep Phase 1 open for consideration of the NRC DBT issues as they pertain to SDG&E. SDG&E's motion for a balancing account will be dismissed without prejudice.

Performance Incentives Settlement

On October 2, 2003, SCE and Coalition of California Utility Employees filed a joint motion for approval of a settlement on employee safety and distribution reliability performance incentive mechanisms (Joint Motion). ORA filed timely comments in opposition to the Joint Motion on October 14, 2003, and SCE filed a timely reply to ORA's comments on October 17, 2003. The Joint Motion will be referred to the Commission for decision.

Submission of Phase 1

With the resolution of NRC DBT issues and the submission of the performance incentives settlement as discussed above, Phase 1 of this GRC may be submitted for decision.

IT IS RULED that:

1. SCE's May 21, 2003 motion to establish a balancing account is deemed withdrawn.
2. SCE's July 15, 2003 motion to establish Phase 3 is withdrawn.
3. SDG&E's July 30, 2003 motion to establish to establish a balancing account is dismissed without prejudice.
4. The October 2, 2003 Joint Motion of SCE and Coalition of California Utility Employees for approval of settlement is referred to the Commission for decision.
5. Phase 1 of this GRC proceeding is submitted.

Dated October 23, 2003, at San Francisco, California.

/s/ Mark S. Wetzell
Mark S. Wetzell
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Pending Motions and Submitting Phase 1 on all parties of record in this proceeding or their attorneys of record.

Dated October 23, 2003, at San Francisco, California.

/s/ Antonina V. Swansen
Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, *e.g.*, sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.